

CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

DIRECTORS

J. Markwick
C. Julian
C. Norbury

REGISTERED NUMBER

08793599

REGISTERED OFFICE

Tomorrow Building 130 Broadway
Suite 7, 2nd Floor
MediaCityUK
Salford
England
M50 2UW

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

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**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

BUSINESS REVIEW

This report represents the 2021/22 financial year, when we launched our new Creative UK brand, as a result of our two former businesses uniting. This ushered in an exciting new phase, as our respective Boards converged, and we appointed two young people to the Board as part of our commitment to diversify our governance. We also took the opportunity to refresh our UK Council, bringing in new members from multiple sectors located across the UK.

As the Creative Industries continued to respond to the challenges and the impact of the pandemic, we worked on our three core strategic priorities - **People, Place and Planet** - shaped in consultation with our members to envision a world in which everyone can thrive creatively, every place can flourish as a hub of cultural activity, and every one of our sectors can respond to the biggest global challenges we face today. We delivered these priorities by focusing on championing, connecting, supporting and investing in the UK's Creative Industries.

On our **People** priority we:

- committed to tackling bullying and harassment in the Creative Industries by: encouraging industry leaders and partners to create codes of conduct for each creative sector; developing training to support the prevention of bullying and harassment; building consensus around the establishment of an independent body to investigate allegations of bullying and harassment; and reviewing how to improve and embed monitoring of bullying and harassment policies' efficacy.
- launched **Breakout**, a new partnership with Netflix UK giving the next generation of outstanding filmmakers the opportunity to debut a feature film through £30k development funding and an intensive lab programme of training and professional development.
- established our **Future of Freelance Champions** group to shape and guide our work with industry and government to drive systemic change by: being advocates for the freelance community; increasing the profile and visibility of creative freelancers and entrepreneurs, and developing ideas for a refreshed set of values for the Creative Industries to support all parts of the ecosystem.

On our **Place** priority we:

- launched the **North of Tyne Cultural and Creative Investment Programme**. Funded by the North of Tyne Combined Authority, this first of its kind programme offers financial and business support to freelancers and businesses working in the Creative Industries in North Tyneside, Northumberland and Newcastle.
- supported a record-breaking 82 feature films and 164 TV dramas on location in the English regions outside of London, leading to economic benefits estimated at £130m and creating 4,000 working days for freelancers across the country.
- engaged with over 600 businesses from across the country to help them access finance and grow, 45% of which were female-led and 21% were ethnic minority-led. We allocated over £300k of **New Ideas** funding to screen businesses developing new business models, technology and innovation, and allocated over £120k of business planning grants to help businesses refine, review and adapt their strategies with support from experts.
- Our **Creative Coalition Festival** attracted an online audience of 4,500 and included live events broadcast from around the country.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

On our **Planet** priority we:

- developed sustainable business practices to support our objective to reach net zero by 2040 by implementing a hybrid model of remote and office working to significantly reduce our travel and that of our supply chains; and encouraging a digital-first mindset among our people and Stakeholders.
- convened our members and the Business Secretary and Innovation Minister to explore ways of working with government to meet UK net zero objectives.
- championed the role of the Creative Industries in achieving net zero ambitions, both in their own business practices and through the application of creative solutions across all industries such as in packaging and materials.

We championed

Our members and the sector at large continued to be impacted by the pandemic and, despite the easing of restrictions, the disruptive Omicron variant put many operations at risk of financial loss. Those reliant on audiences and footfall, plus the sector's freelance workforce, were particularly affected and we continued to campaign for the extension and introduction of emergency measures, many of which were adopted in the Chancellor's Autumn Budget.

In tandem, we convened our members throughout the year to identify longer-term advocacy priorities, especially around how the UK's Creative Industries can grow back sustainably, equitably and with more diversity. We agreed on:

- **Re-designing Freelancing:** To empower organisations and freelancers working across the creative economy to tackle systemic inequalities and create a more sustainable future for our growing workforce.
- **Accessing Finance:** To ensure a greater diversity of creative businesses and entrepreneurs can access the finance and business support they need to thrive, innovate and grow across the UK.
- **Championing Creative Jobs:** To increase public awareness and positive sentiment toward the value of creative jobs, targeting those who influence young people from underrepresented backgrounds.

In the run-up to the UK Government's important 2021 Spending Review, we worked with our members to publish a flagship report - *The UK Creative Industries* – which highlighted the power and potential of the Creative Industries to regenerate places, rebuild the economy, drive innovation and create jobs in all parts of the UK. To make a robust case to HM Treasury, we commissioned new data from Oxford Economics, which revealed the impact of Covid-19 on the sector, how the Creative Industries generate additional revenue and jobs through their supply chains and crucially, what more could be unlocked with government investment. The outcome of the Spending Review was positive for the Creative Industries, and the sector was prominently highlighted in the Chancellor's Statement with the announcement of doubling tax relief for museums, galleries, theatres and orchestras, £850m in post-pandemic support for culture and heritage institutions, and £14m a year in scale up funding for creative SMEs.

The report's accompanying #WeAreCreative campaign reached more than one in six people in the UK, and featured voices ranging from comedian and film entrepreneur Sir Lenny Henry to newly elected Mayor of West Yorkshire Tracy Brabin, former Minister of State Jo Johnson and KISS FM's Swarzy.

Throughout the year, we continued to consult with our members on post-Brexit challenges, creative education and skills, and R&D and innovation, articulating clear and authoritative recommendations for UK Government.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

We connected

With the easing of Covid-19 restrictions we were able to resume our in-person events. We reconvened our members from across the UK's nations and regions, at receptions and roundtable discussions including in Dundee, Cardiff, Glasgow, London, Newcastle and Cornwall. These events created opportunities for new encounters, to hear from visionary speakers leading change in creative communities, to discuss a variety of topics ranging from climate change to diversifying the workforce, and to build momentum for positive action with local and UK government. We also hosted open-access online forums, enabling people from across the UK to join the conversation, find collaborators and turn ideas into reality.

The Creative Coalition Festival saw us working with over 30 creative and cultural organisations to host the second edition of Creative UK's flagship annual event. Over three days and 60 sessions, the festival gave the UK's finest creators, makers, leaders and innovators the opportunity to reimagine, redefine and reignite our creative future. Delivered by home-grown, world-class talent, the festival blended inspiring conversations with interviews, live performances, experiences, workshops and networking opportunities and attracted 4,500 people based in over 60 countries. Speakers included Rt Hon Nadine Dorries MP (Secretary of State for DCMS), Rt Hon Keir Starmer MP (Leader of the Opposition), Ben McOwen Wilson (Managing Director of YouTube UK), Jed Mercurio (Leading Television Writer and Showrunner) and June Sarpong OBE (Director of Creative Diversity, BBC).

The creative industries continued to be hit hard by Covid-19 in FY21-22. Creative sector businesses experienced ongoing challenges as the medium and long-term impacts of the pandemic and Brexit became clear. These ongoing challenges impacted our Federation membership income in FY21-22 and resulted in some cultural sector organisations not being in a position to renew their membership in FY21-22 which led to an increase in our bad debt expense this financial year. However, creative businesses have once again proven their resilience over the last 12 months, and we believe they will play a leading role in our nation's recovery - building not only economic prosperity but making our towns, cities and rural areas more vibrant and delivering more inclusive growth throughout our nation.

DIRECTORS

The directors who served during the year were:

J. Markwick
C. Julian
C. Norbury

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**CREATIVE INDUSTRIES FEDERATION
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

This report was approved by the board and signed on its behalf.



C. Norbury
Director

Date: 29th September 2022

Tomorrow Building 130 Broadway
Suite 7, 2nd Floor
MediaCityUK
Salford
England
M50 2UW

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE INDUSTRIES FEDERATION

OPINION

We have audited the financial statements of Creative Industries Federation (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**CREATIVE INDUSTRIES FEDERATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE INDUSTRIES FEDERATION
(CONTINUED)**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE INDUSTRIES FEDERATION
(CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we have considered the nature of the industry and sector, control environment and business performance including the design of the Group's bonuses.
- we have considered the results of our enquiries of management including the Head of Finance and Chief Financial Officer about their own identification and assessment of the risk of irregularities.
- for any matters identified we have obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- revenue recognition cut off.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

**CREATIVE INDUSTRIES FEDERATION
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE INDUSTRIES FEDERATION
(CONTINUED)**

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included data protection regulations, health and safety regulations, employment legislation and quality management systems.

Audit response to risks identified

We identified revenue recognition cut off as key audit matters related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to the Covid-19 pandemic the engagement team performed remote audit testing using online portals to share documentation securely and video calls to make enquiries. This has not had any detrimental impact on our ability to identify and respond to risks.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE INDUSTRIES FEDERATION
(CONTINUED)**

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Butler FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL
Date: 23 November 2022

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover		955,001	1,051,957
Cost of sales		(908,898)	(368,010)
Gross profit		46,103	683,947
Administrative expenses		(88,369)	(720,944)
Other operating income		2,119	14,962
Operating loss		(40,147)	(22,035)
Interest receivable and similar income		20	114
Interest payable and similar expenses		(432)	-
Loss before tax		(40,559)	(21,921)
Tax on loss		(4)	(22)
Loss for the financial year		(40,563)	(21,943)
Total comprehensive income for the year		(40,563)	(21,943)

The notes on pages 14 to 21 form part of these financial statements.

CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08793599

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	Restated 2021 £
Fixed assets			
Intangible assets	5	5,445	9,419
Tangible assets	6	3,356	9,247
		<u>8,801</u>	<u>18,666</u>
Current assets			
Debtors: amounts falling due within one year	7	530,925	283,564
Cash at bank and in hand	8	283,758	406,372
		<u>814,683</u>	<u>689,936</u>
Creditors: amounts falling due within one year	9	(935,676)	(770,231)
Net current liabilities		<u>(120,993)</u>	<u>(80,295)</u>
Total assets less current liabilities		<u>(112,192)</u>	<u>(61,629)</u>
Creditors: amounts falling due after more than one year		(33,333)	(43,333)
Net liabilities		<u><u>(145,525)</u></u>	<u><u>(104,962)</u></u>
Capital and reserves			
Profit and loss account		(145,525)	(104,962)
		<u><u>(145,525)</u></u>	<u><u>(104,962)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C. Norbury
Director

Date: 29th September 2022

The notes on pages 14 to 21 form part of these financial statements.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Profit and loss account	Total equity
	£	£
At 1 April 2021	(104,962)	(104,962)
Comprehensive income for the year		
Loss for the year	(40,563)	(40,563)
At 31 March 2022	(145,525)	(145,525)

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Profit and loss account	Total equity
	£	£
At 1 April 2020	(83,019)	(83,019)
Comprehensive income for the year		
Loss for the year	(21,943)	(21,943)
At 31 March 2021	(104,962)	(104,962)

The notes on pages 14 to 21 form part of these financial statements.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. GENERAL INFORMATION

Creative Industries Federation is a private company, incorporated in England and Wales. The registered office is Tomorrow Building 130 Broadway, Suite 7, 2nd Floor, MediaCityUk, Salford, England, M50 2UW.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Directors have prepared forecasts which show that the Company will have sufficient funds to meet its liabilities as they fall due, and that it will continue to meet its current liabilities covenants for a period of at least twelve months from the date of signing these accounts. These forecasts include expected cash flows and will allow us to identify risks and opportunities and react accordingly.

The Directors continue to monitor the impact that Covid-19 is having on operations and are taking actions to minimise their effect on the long-term reserves of the Company. After making enquiries, the directors have reasonable expectation that the Company have access to adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

2.3 REVENUE

Revenue represents net invoiced membership subscriptions, grant funding and founding contributions, excluding value added tax.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**CREATIVE INDUSTRIES FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.4 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.6 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 PENSIONS

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.10 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**CREATIVE INDUSTRIES FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.11 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company making estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as technological innovation, product life cycles and maintenance programmes.

CREATIVE INDUSTRIES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 15 (2021:14).

5. INTANGIBLE ASSETS

	Computer software £
COST	
At 1 April 2021	189,427
At 31 March 2022	<u>189,427</u>
AMORTISATION	
At 1 April 2021	180,008
Charge for the year on owned assets	3,974
At 31 March 2022	<u>183,982</u>
NET BOOK VALUE	
At 31 March 2022	<u>5,445</u>
At 31 March 2021	<u>9,419</u>

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6. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2021	10,468	33,485	43,953
At 31 March 2022	10,468	33,485	43,953
DEPRECIATION			
At 1 April 2021	9,385	25,321	34,706
Charge for the year on owned assets	803	5,088	5,891
At 31 March 2022	10,188	30,409	40,597
NET BOOK VALUE			
At 31 March 2022	280	3,076	3,356
At 31 March 2021	1,083	8,164	9,247

7. DEBTORS

	2022 £	2021 £
Trade debtors	263,067	117,544
Amounts owed by group undertakings	236,581	102,602
Other debtors	124	101
Prepayments and accrued income	31,153	63,317
	530,925	283,564

8. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	283,758	406,372
	283,758	406,372

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9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	Restated 2021 £
Bank loans	10,000	6,667
Trade creditors	5,092	5,859
Amounts owed to group undertakings	601,702	329,198
Corporation tax	4	-
Other taxation and social security	47,861	64,438
Other creditors	-	2,416
Accruals and deferred income	271,017	361,653
	<u>935,676</u>	<u>770,231</u>

In 2021 the Company was advanced £50,000 as part of the Bounce Back Loan Scheme.

The loan term is over 6 years with repayment installments commencing 12 months from the date of drawdown. Interest is charged at 2.5% with the first 12 months being paid by the Government. During the year £6,667 (2021: £Nil) of the loan was repaid.

The bank loans for the year end 31 March 2021 have been restated above to correct for the ageing of the loan. We have reclassified £43,333 to amounts falling due after more than one year.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	Restated 2021 £
Bank loans	33,333	43,333
	<u>33,333</u>	<u>43,333</u>

The bank loans for the year end 31 March 2021 have been restated above to correct for the ageing of the loan. We have reclassified £43,333 from amounts falling due within one year.

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NOTES TO THE FINANCIAL STATEMENTS
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11. LOANS

Analysis of the maturity of loans is given below:

	2022 £	2021 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	10,000	6,667
	<u>10,000</u>	<u>6,667</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	23,333	30,000
	<u>23,333</u>	<u>30,000</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	-	3,333
	<u>-</u>	<u>3,333</u>
	<u>43,333</u>	<u>50,000</u>

In 2021 the Company was advanced £50,000 as part of the Bounce Back Loan Scheme.

The loan term is over 6 years with repayment installments commencing 12 months from the date of drawdown. Interest is charged at 2.5% with the first 12 months being paid by the Government. During the year £6,667 (2021: £Nil) of the loan was repaid.

12. COMPANY STATUS

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**CREATIVE INDUSTRIES FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. PENSION COMMITMENTS

The Company contributes to a Group Personal Pension Plan. The pension charge for the year amounted to £14,043 (2021: £11,977). At 31 March 2022, there were contributions outstanding of £Nil (2021: £2,416).

14. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Creative UK Holdings Limited. Transactions with Creative UK Holdings Limited and group companies are not disclosed in accordance with section 33 of FRS 102.

15. CONTROLLING PARTY

The ultimate controlling party undertaking is Creative UK Holdings Limited, which is incorporated in England. The consolidated accounts are available from Creative UK Holdings Limited's registered office being Tomorrow Building 130 Broadway, Suite 7, 2nd Floor, Mediacityuk, Salford, England, M50 2UW.